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SUBJECT: SPECIAL ADVISOR ECHAVESTE VISITS BOLIVIA

REF: 06 LA PAZ 3107

Classified By: Charge d'Affaires James Creagan for reasons 1.4 (b, d)

¶1. (C) Summary: Maria Echaveste, Special Advisor to the Secretary, traveled to Bolivia June 27-28 to meet with GOB officials including President Evo Morales, Presidency Minister Juan Ramon Quintana, and Government Minister Alfredo Rada to convey the Secretary's commitment to improving bilateral relations and to frame the President's pending decision on the Andean Trade Preferences Act (ATPA) in a domestic, political context. In every meeting, Echaveste underscored the administration's support for inclusive actions by President Morales, noting her own work for social justice in the United States. Echaveste explained that many in Congress opposed the restoration of ATPA benefits at this time and that Congress, views would play an important part in the President's decision. She urged GOB officials to focus on our broader rapprochement efforts, not just on the ATPA decision. GOB officials pushed for restoration of ATPA benefits and warned of significant harm to bilateral relations if this did not happen. As expected, GOB officials raised a series of past grievances against the United States. At the same time, they expressed admiration and high expectations for President Obama. End Summary.

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Special Advisor Meets with President, Foreign Minister
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¶2. (C) Advisor Echaveste and Charge James Creagan met with President Morales and Foreign Minister Choquehuanca on the morning of June 28. Morales greeted Echaveste warmly and professed his belief in the possibility of partnering with President Obama, but then ticked off several complaints about the USG, past and present, that made relations more difficult.

¶3. (C) Morales recounted how former Ambassador Manuel Rocha had accused him of being a narcotrafficker and a terrorist, and how he had asked the Bolivian people not to vote for Morales in 2002. He said the USG violated Bolivian sovereignty by taking its surface to air missiles away in 2005 not long before he was elected (reftel). Today, he said, the USG is castigating Bolivia for no reason by threatening to permanently remove ATPA benefits. Despite a detailed discussion by Echaveste of the difficulties surrounding reinstatement of ATPA benefits, Morales opined that he was confident that President Obama could make the determination necessary to restart ATPA immediately if he so desired. Regarding the extradition of former President Gonzalo "Goni" Sanchez de Lozada, Morales seemed to dismiss the legal process, saying "the U.S. helped him escape from Bolivia" and that "if the U.S. asked us to extradite someone, it would be done in a day." Morales affirmed his desire to fight narcotraffickers and said the USG could help by providing equipment, including by approving the transfer of helicopters outfitted with U.S. equipment. Last, Morales accused CNN of labeling him as a narcoterrorist. While saying that he knew President Obama was not connected with

CNN, he advised that "your government could be influential" in stopping such talk. Morales did not offer concrete solutions for restoring confidence in bilateral relations. In an offhand comment, Morales did say that USAID has done things in Bolivia to be applauded.

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ATPA Critical for Moving Forward
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¶4. (C) Echaveste and Charge met with Vice Minister for External Commercial Relations Pablo Guzman on June 27. Guzman said that despite recent press reports stating the contrary, the GOB very much wants ATPA renewed immediately. He noted that ATPA suspension is hurting families, and "they didn't expel Ambassador Goldberg, we (the GOB) did." He said in El Alto alone, 6,000 families had been affected and that there had been a 50 percent drop in textile exports. He conceded that arrangements with the government of Venezuela to buy ATPA products were temporary and had not been fully successful. He criticized the Venezuelans as "bureaucrats, not businessmen."

¶5. (C) Guzman listened attentively as Echaveste discussed the challenges to renewing ATPA benefits. Echaveste explained that whether or not ATPA was restored now, the legislation would expire at the end of 2009, making it at best a temporary measure. She proposed instead focusing on future economic agreements that would be more permanent. Guzman agreed on the need for a more permanent agreement and advocated for immediate discussions on this front. However, he stressed that such discussions did not obviate the need for immediate reinstatement of ATPA benefits. Calling himself "a realist," Guzman estimated there was a "70 to 80 percent chance" relations would suffer a "significant" setback if ATPA benefits were not restored, and "we would return to tit-for-tat relations." He added: "If Ecuador has ATPA, why not Bolivia?"

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Quintana: USG Constant "Aggression"
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¶6. (C) After meeting with Vice Minister Guzman, Echaveste and Charge met with Presidency Minister Juan Ramon Quintana. While professing his desire to see an improvement in relations, Quintana said the only way to establish a "spirit of confidence" would be to settle past accounts of USG political interference in Bolivia. With this, he listed a number of unfounded, perceived grievances including the CIA and DEA's "lack of respect for local laws," the Embassy's Military Group's "take over" of 35 Bolivian surface to air (MANPAD) missiles just before Evo Morales came into power, and USAID's continued undermining of the Morales administration by supporting the opposition. He said that "if I relate other incidents, you'll feel ashamed." He complained that for the past three years, the GOB has had to spend much of its time "defending itself from this aggression."

¶7. (C) Quintana became most animated about the charge against USAID, saying "they work unstintingly to hurt our standing among the people, even meeting with 'pseudo-indigenous' leaders to plot against us." Quintana's attack of USAID-funded NGOs offered Echaveste the opportunity to note that a robust civil society, including a diversity of views, is a key element of a democracy. She added that the USG promotes the strengthening of civil society across the world. Quintana also rattled off the names of seven members of the "Goni" regime working for USAID contractors and accused USAID of making "clandestine efforts" to bring down the government. With this he raised the question, "Is it better for our relations that USAID exist here, or leave?" He suggested we define new rules for economic development that would not involve USAID, proposing "we leave USAID in the freezer."

¶8. (C) Echaveste tried to focus on measures to move the bilateral relationship forward, but Minister Quintana said

the only way to move forward would be to "rectify the harm done in the past by the USG." By doing so, he replied, we would finally "change the rules of the game." He said he welcomed the partnership of President Obama, because like President Morales Obama had also "risen up from below and in so doing now represents the hopes of millions." When Echaveste tried to move the conversation toward a discussion of concrete steps to foster a better relationship, Quintana diverted back to a diatribe on USAID's failures.

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Llorenti: Goni Extradition
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¶9. (C) Echaveste met with Vice Minister for Social Movements Sacha Llorenti on June 28 to discuss judicial issues. Llorenti discussed several outstanding judicial cases, focusing primarily on the GOB's request to have former President Sanchez de Lozada extradited from the United States. Llorenti noted that the Bolivian Congress voted to strip Goni of his immunity in 2004, and since then both the Attorney General (equivalent) and the Supreme Court have indicted him. While admitting that the GOB had not formally submitted an extradition request until November 2008, Llorenti complained about what he perceives as a delay in processing the case.

¶10. (C) Llorenti also detailed accusations against Goni's former Defense Minister Carlos Sanchez Berzain, who has been granted political asylum in the United States and whose extradition request is also pending. (Note: Extradition requests for Goni, Sanchez Berzain, and a third minister Berindoague were submitted jointly in November 2008. End note.) After conceding that "our democracy could be stronger," Llorenti maintained nonetheless that Sanchez Berzain's crimes needed to be aired in a court, and that it should be Bolivia's Supreme Court. "Give our democracy a chance to show its strength," he concluded.

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Rada: Counternarcotics Policy
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¶11. (C) Last, Echaveste and Charge met with Government Minister Alfredo Rada to discuss counternarcotics cooperation. Rada stressed the GOB's commitment to counter drug efforts, noting that this is one of the most important challenges for President Morales. He said a policy of "coca

zero" is untenable in a country where coca is part of the culture, but stated their commitment to a policy of "cocaine zero." He outlined the GOB's approach in terms of "revaluing the coca leaf", limiting cultivation in designated areas, and eradicating coca in prohibited areas, especially national parks. He noted the GOB's increasing efforts in the Yungas region, and said they need adequate helicopters for high altitude. (Note: We have just approved the transfer of four UH-1H helicopters from Brazil to Bolivia, though Rada noted these will be used in the Chapare, as these are not adequate for high altitude.)

¶12. (C) Rada acknowledged the importance of international cooperation, but maintained that the GOB intends to nationalize the drug fight -- whereby the GOB defines strategies, methods, and objectives. Echaveste noted that while she "understood the GOB's desire to nationalize the drug fight, it is important for donors to not just give resources, but to be able to participate to make sure their investment leads to results." A discussion of accountability led Rada to complain about the "lack of transparency" in U.S. counternarcotics assistance (even though U.S. funds support Bolivian efforts directly.)

¶13. (C) Without providing any detail, Rada noted the GOB's efforts to revitalize dormant agreements with neighbors including Brazil (BRABO agreement), Argentina (ARBO), and Paraguay (BOLPA). Rada promised to send the Embassy more

detailed information about these partnerships. When asked about how the GOB planned to replace the intelligence gap left by DEA, Rada responded that they have their own mechanisms for collecting intelligence and exchanging information with neighboring countries. He also mentioned Interpol. Rada dismissed DEA,s value by noting recent lab seizures and saying that according to Bolivian officers, they did 90 percent of the work, while DEA did only 10 percent.

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Comment
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¶14. (C) In all meetings, GOB representatives, including President Morales, seemed genuine in their appreciation for President Obama and their desire to improve the bilateral relationship. However, in none of the meetings did any GOB representative offer what they could do to contribute. Instead, they focused on their grievances against the United States and what we should do to improve the relationship. After complaining about the conditionality of U.S. assistance, GOB officials threatened that things could deteriorate further if, for example, the President made a negative decision on ATPA. The GOB,s strategy appears to be a win-win for them: either they get what they want from us or they manipulate our decisions to justify, as President Morales said, that "once an empire, always an empire." End comment.
CREAGAN